

20 Years

Investing in Washington's Economic Future



2002 LEGISLATIVE REPORT
COMMUNITY ECONOMIC REVITALIZATION BOARD

2001-03 BIENNIUM

Table of Contents

| CERB Program | <u>Page</u> |
|-----------------------------------|--------------------|
| Message From the Chair | 1 |
| Introduction to CERB | 2 |
| Return on Investment | 3 |
| Case Study: Port of Pasco | 4 |
| Case Study: City of Blaine | 5 |
| New Private Capital | 6 |
| CERB Funding | 7 |
| Five-Year Project Tracking | 8-10 |
| County Totals | 11 |
| Legislative District Totals | 12 |
| Program Opportunities | 13 |
| CERB Members | 14 |
| REV Program | |
| REV Report | 15-18 |



I am pleased to transmit the Year 2002 Legislative Report of the Community Economic Revitalization Board. The report celebrates CERB's "*20 Years of Investing in Washington's Economic Future*" and highlights activities and outcomes of the 2001-2003 Biennium.

Since 1982, CERB has provided \$89 million to finance 178 local projects in 35 counties, creating and retaining over 19,000 jobs and stimulating nearly \$1.5 billion in private business investment. For each dollar CERB awards, \$17 of private capital are leveraged. The average CERB cost per job is \$4,600 and the wages for these jobs almost always exceed annual county average wage rates.

CERB financing tools help communities supply economic development infrastructure needed for business development, retention, and expansion. Across the state, CERB projects return lasting economic benefits. As the two case studies in the report illustrate, many CERB investments continue to attract additional private sector investment years after the initial public projects are completed.

Despite a significant state economic downturn over the past two years, CERB approved almost \$8 million in financing for 15 new projects that will yield 966 jobs in eight rural counties and one urban county. These projects will help boost local economies by generating an estimated \$84 million in private investment and \$1.5 million in new state and local tax revenue.

A coalition of advocates worked in concert with Governor Gary Locke, CERB, the Competitiveness Council, and the Public Works Board to secure two new funding sources for CERB during the 2002 Legislative Session. One source is temporary, but enables CERB to pump an additional \$19 million into economic development infrastructure before it expires at the end of Fiscal Year 2007. The second source permanently returns CERB revolving account investment earnings to the Board for new projects beginning July 2004. CERB members extend a special thank you to the associations representing cities, counties, ports, economic development organizations, realtors, and general contractors for their efforts to boost CERB resources.

The 2002 Legislature also passed a statutory amendment making federally recognized Indian Tribes eligible to apply for CERB assistance. This change extends CERB's economic development financing opportunities to 29 eligible tribes.

CERB's record exemplifies commitment, excellence and results. On behalf of the Board, I thank you for your continued support and invite you to join us in celebrating "*20 Years of Investing in Washington's Economic Future*."

A handwritten signature in black ink, reading "Judith Boekholder", followed by a horizontal line.

Judith Boekholder, Chair
Community Economic Revitalization Board

COMMUNITY ECONOMIC REVITALIZATION BOARD

The Community Economic Revitalization Board is a unique state economic development resource administered by the Department of Community, Trade and Economic Development. CERB programs are valued because they help communities:

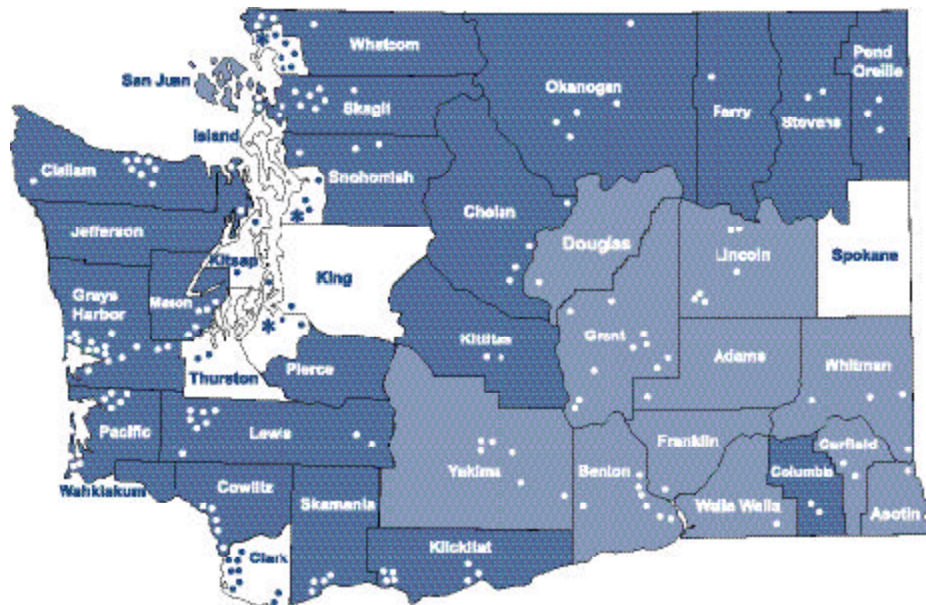
- Respond rapidly to immediate business siting and expansion needs.
- Build feasible industrial sites for future business development.
- Target expansions in manufacturing, food processing, assembly, warehousing, industrial distribution, advanced technology, and other key sectors.
- Spur creation and retention of higher wage jobs.

In 2002, CERB celebrates twenty years of encouraging new development and expansion in areas where growth is desired. The Legislature created CERB in 1982 to provide low-interest loans (or in unique circumstances grants) to help finance the local public economic development infrastructure necessary to develop or retain stable business and industrial activity. These improvements include industrial water, general-purpose industrial buildings and port facilities, sanitary and storm sewers, industrial wastewater treatment facilities, railroad spurs, telecommunications, electricity, natural gas, roads, and bridges.

The nineteen Board members represent private and public sectors from across the state, as designated in statute. The Board sets policy and selects projects to receive the investment of CERB funds. Administrative support to the Board is provided within the Economic Development Division of CTED. The Board's statutory authority is codified in Chapter 43.160 RCW.

CERB Funded Projects in Washington State, 1982-2002

CERB is a need-based statewide economic development opportunity. CERB has made investments in 35 of 39 counties. Since 1991, CERB has exceeded its legislative mandate to invest at least 75 percent of all funds in rural counties or Rural Natural Resource areas.



- Rural Natural Resource county (timber and salmon impact area)
- Rural county (population less than 100 per square mile)
- * Urbanized area in metropolitan county excluded from RNR eligibility
- CERB project locations

CERB finances public economic development infrastructure and tracks its return on investment in four ways—new jobs, private capital, tax revenues, and assessed values.

CERB Returns More Than it Invests

Since 1982, CERB has returned more to the state's economy than the \$89 million it has invested:

- Creation and retention of 19,000 jobs.
- Nearly \$1.5 billion in *actual* private capital investment in facilities, machinery and equipment by business and industry.
- Generation of an estimated \$52 million in new annual state and local taxes to help stabilize local economies and generate future income.

A Catalyst for Jobs

CERB's investment in public facilities required by business and industry creates opportunities for job creation and retention. The City of Blaine case study highlighted on page five shows how CERB's investment has brought stable manufacturing jobs to Blaine's service sector dependent economy.

CERB's 20-year job total is a combination of new jobs plus retained existing jobs. According to the businesses, these 19,000 jobs would have been lost to the state without CERB's investment in the public infrastructure.

During the 2001-03 Biennium CERB approved 15 projects in eight rural counties and one urban county. These projects represent over 960 full-time jobs and CERB investments totaling \$7.8 million. The private capital investment in business facilities for these projects is estimated at \$84 million.

CERB has helped strengthen businesses and communities by encouraging industrial sector

developments. In CERB projects, the average wage created by industry almost always exceeds the annual county average wage rate.

Private Capital

CERB tracks the *actual* private sector investment in business facilities made as a result of the CERB project and compares it to the estimated private investment at the time of the CERB application. CERB investments leverage private capital at a ratio of 17 to 1.

New Tax Revenues

Since data collection began in 1991, CERB projects have produced an estimated \$52 million in state and local tax revenues from property, business and occupation, and retail sales taxes. These new sources of revenue help local governments provide services to their communities. The average estimated new tax revenue per CERB project is \$800,000. The Port of Pasco case study on page four illustrates the significant tax base impact CERB investments can have in rural communities.

Assessed Value

In 2002, CERB started tracking how its economic development infrastructure investments affect the value of land and buildings receiving new or expanded services. Although data sampling is small, the resulting growth of wealth can be dramatic. The City of Blaine and Port of Pasco case studies demonstrate increases of 30 to 66 times the baseline assessed value, respectively.

Case Study: Port of Pasco

AGRIBUSINESS FLOURISHES IN PASCO

In the late 80's, Franklin County was experiencing economic distress due to slowdowns at Hanford and in the agricultural industry. A vision emerged for value-added processing of locally grown crops. The City and Port of Pasco, with the Franklin County Public Utility District, created the Pasco Processing Center, an innovative concept with a state-of-the-art wastewater recycling system large enough to meet the needs of multiple food processors.

In 1994, a \$700,000 CERB loan allowed the Port to construct a water, sewer and wastewater collection system to serve the first tenant, J.R. Simplot/Americold. The CERB investment was leveraged by \$555,716 in Port funds. At the time of application, Simplot/Americold projected 260 jobs and \$32 million in private investment. Today, with the arrival of Twin City Foods in 1998, and Reser's Fine Foods in 1999, the actual number of jobs at the Center is 1,132. The average annual Franklin County food processing wage is \$30,972, twenty-one percent greater than the farm and non-farm average annual wage of \$24,436.

The Center's pre-permitting and wastewater disposal process is very user-friendly and attractive for the business investor. Future Port plans include subdividing larger lots for value-added retail packaging and small companies producing specialty foods. Ultimately, the Center is expected to generate as many as 2,000 jobs.



**J.R. Simplot/Americold Corn Cutter Line
PASCO PROCESSING CENTER**

"Advanced planning and permitting by the City of Pasco and Port of Pasco, coupled with extensive cooperation and support, enabled us to construct our plant and bring it on-line ahead of any other possible location that we evaluated."

—**Larry Ring, Plant Manager**

J.R. Simplot/Americold Pasco Plant

"The development of the Pasco Processing Center was a unique alliance between the City of Pasco, the Franklin County PUD, and the Port. Through our partnership, we created a tailor-made industrial park dedicated to the food processing industry. The Port's investment at the Pasco Processing Center not only created value-added jobs, but also generated a greater tax base, which benefited all local taxpayers. The Port is pleased to have been involved on this project and works to create economic development opportunities for Pasco and the Tri-Cities Area."

—**Jim Klindworth, Commission President**
Port of Pasco

| J.R.S IMPILOT/AMERICOLD TWIN CITY FOODS RESER'S FINE FOODS | ESTIMATED IN 1994 APPLICATION | ACTUAL 2002 |
|---|--|---------------------------|
| New jobs created (in FTEs) | 260 | 1,132 |
| Private capital investment | \$32 Million | \$100 Million |
| Annual state & local taxes generated* | \$500,000 | \$448,608 |
| Increase in assessed valuation of the area of the CERB investment | 1994 A.V. \$1,016,000 | 2002 A.V. \$66,036,100 |

**Property, B&O, Sales & Use, as applicable*

Case Study: City of Blaine



**Nature's Path Foods
BLAINE PROCESSING CENTER**

“The CERB investment was critical in the development of the City’s first fully serviced manufacturing site. CERB funding was directly responsible for siting the Nature’s Path facility in Blaine. In a small town, these types of businesses are very important. They help balance a retail-intense tax base with good manufacturing jobs.”

—Gary Tomsic, City Manager
City of Blaine

“The CERB investment in public infrastructure was one of the critical pieces for the Nature’s Path U.S. facility development in Blaine. Our partnership with the City, CERB, and other entities made it possible for the company’s growth and success.”

—Arran Stephens, President & Founder
Nature’s Path Foods

ECONOMIC DIVERSIFICATION IN A BORDER TOWN

Nature’s Path Foods, headquartered in British Columbia, opened their first U.S. facility in the Blaine Business & Industrial Park in 1999. The company manufactures the top-selling brand of organic cereal.

In 1997, a CERB loan to the City of Blaine for sewer and industrial street access to the industrial park made the company’s U.S. location possible. The \$428,258 CERB investment was leveraged by \$2.9 million in other city, state, federal and private funds for electrical, water, and sewer improvements.

The City wanted an industrial park to attract manufacturing jobs that would provide diversification from Blaine’s border-related retail and service jobs.

Nature’s Path Foods has added a stable employment opportunity in the Blaine area. In the 1997 CERB application, 31 new jobs were estimated in the first year of operation. The plant now employs 58 persons, and 90 percent of its employees live in the rural areas of Blaine, Birch Bay and Custer. The company has begun a \$2.5 million expansion three years ahead of schedule, and will add 19 more full-time positions with the expansion. The company is also adding a new product line, and estimates employment will reach 100 jobs in the next few years.

| NATURE’S PATH FOODS | ESTIMATED IN 1997 APPLICATION | ACTUAL 2002 |
|--|----------------------------------|--------------------------|
| New jobs created (in FTEs) | 31 | 58 |
| Private capital investment | \$6.5 Million | \$9 Million |
| Annual state & local taxes generated* | \$79,768 | \$96,700 |
| Increase in assessed valuation of the area of the CERB investment | 1997 A.V. \$102,220 | 2002 A.V. \$3,009,300 |

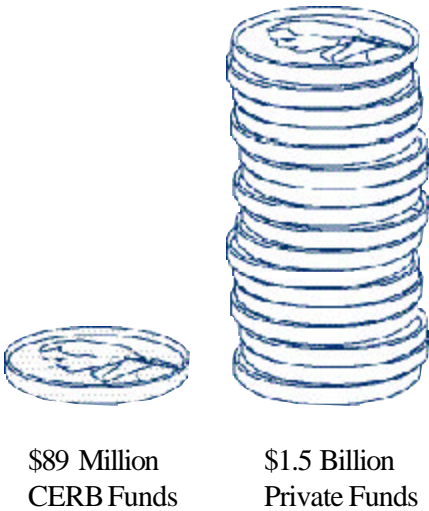
*Property, B&O, Sales & Use, as applicable



\$4.7 million facility completed by Royal Ridge Fruit & Cold Storage at the Port of Royal Slope.

**Private Sector Investment
1982-2002**

To date, CERB’s investment of \$89 million in public facilities has led to the *actual* investment of nearly \$1.5 billion by businesses in their own facilities and machinery. That is a ratio of \$17 private dollars to each CERB dollar invested.



Background

Despite the program's long-term effectiveness, CERB has never had a stable, permanent and predictable funding source. In 1999 Governor Gary Locke secured permanent funding for CERB as part of the Referendum 49 revenue package. A year later, loss of funds from the Motor Vehicles Excise Tax after the passage of Initiative-695 eliminated this funding for CERB.

2002 Legislative Update

The 2002 Legislature approved a measure initiated by Governor Locke to establish a five-year funding plan for CERB. The plan covers Fiscal Year 2003 through Fiscal Year 2007. The funding plan:

- (1) Redirects annual repayments for loans previously issued under the Public Works Trust Fund's Timber and Rural Natural Resource loan programs, both of which have economic development goals, to CERB (approximately \$2.2 million in 2003 and \$4.1 million per year for the next 4 years).
- (2) Allows CERB to retain interest (which is currently deposited into the general fund) beginning Fiscal Year 2005 (approximately \$200,000 per year).

| Fiscal Year | Timber & RNR Repayments (New Source) | Est. CERB Investment Earnings ¹ (New Source) | Total New Monies Per Temporary CERB Funding Plan | Est. CERB Repayment Income from Loans ² | Total Available for New Projects |
|--------------|--------------------------------------|---|--|--|----------------------------------|
| 2003 | Obligated ³ | | Obligated ³ | Obligated ³ | Obligated ³ |
| 2004 | 4,155,970 | | 4,155,970 | 1,665,023 | 5,820,993 |
| 2005 | 4,155,970 | 200,000 | 4,355,970 | 1,958,018 | 6,313,988 |
| 2006 | 4,155,970 | 200,000 | 4,355,970 | 2,411,175 | 6,767,145 |
| 2007 | 4,155,970 | 200,000 | 4,355,970 | 2,407,763 | 6,763,733 |
| 2008 | 0 | 200,000 | 200,000 | 2,508,206 | 2,708,206 |
| 2009 | 0 | 200,000 | 200,000 | 2,655,056 | 2,855,056 |
| Total | 16,623,880 | 1,000,000 | 17,623,880 | 13,605,241 | 31,229,121 |

Future Funding Needs

After Fiscal Year 2007 CERB funds will drop by 60 percent. A sustainable, long-term revenue solution is still needed. Based on a current project list, CTED can demonstrate a five-year funding need estimated at nearly \$50 million for public economic development infrastructure projects in rural areas.

¹ Estimate based on projected average monthly cash balance of \$6.7M and average annual interest rate of 4.4%.

² Combines estimated repayment income (\$11,355,241) from current loans under contract and estimated repayment income (\$2,250,000) from new sources. These projections are based on 80% of funds in the form of loans that are repaid in 18 years of equal annual payments at 2% interest, deferred for 2 years.

³ FY 2003 funds (\$2,266,895) have been obligated.

Five-Year Project Tracking

CERB tracks job and private investment data on each project for a period of five years after the public project construction is completed. The projects on the five-year tracking list for the Year 2002 Legislative Report are a combination of projects completed since 1997 and new projects approved by CERB since the Year 2000 Legislative Report. After five years, the Board recognizes that a project's job and private investment data should no longer be counted as a direct project result. Since the prior Legislative report, 33 new projects were approved by CERB. Five of those projects were withdrawn by the applicant due to changed project conditions; the remaining 28 are shown among those listed below, which includes 15 projects funded through January 2003 of the 2001-03 Biennium. Please note the following items:

- In the Local Government column, the symbol (†) indicates the 15 projects funded in the 2001-03 Biennium.
- In the Private Business Development/Site column, an *italicized* name denotes a CERB-assisted development site where estimated job numbers depend on future business development. Businesses and *actual* jobs associated with the site are listed as development occurs.
- In the *Actual* Jobs Created & Retained column, the symbol (*) indicates the applicant is working to complete the final CERB contract and construction of the public infrastructure project.
- In the *Actual* Jobs Created & Retained column, the symbol (♦) indicates the business has committed to locating in the CERB assisted facility, but has not yet created jobs.

PUBLIC INVESTMENT PROJECTS

| Local Government Applicant | Project Type | Application Year | CERB Loan | CERB Grant | Other Monies Leveraged | Project Total |
|----------------------------|---------------------|------------------|-----------|------------|------------------------|---------------|
| ADAMS | | | | | | |
| Port of Othello | Water | 1995 | \$250,000 | | \$100,000 | \$350,000 |
| BENTON | | | | | | |
| City of Richland | Rail Spur | 1997 | \$750,000 | | \$1,256,000 | \$2,006,000 |
| City of Prosser | Water/Sewer | 1999 | \$300,000 | \$200,000 | \$2,051,000 | \$2,551,000 |
| City of Kennewick | Water/Sewer/Road | 2000 | \$125,000 | \$500,000 | \$228,500 | \$853,500 |
| Port of Benton | Industrial Building | 2000 | \$210,000 | \$500,000 | \$1,200,000 | \$1,910,000 |
| City of Prosser† | Industrial Building | 2001 | \$350,000 | \$137,510 | \$474,140 | \$961,650 |
| City of Richland† | Road/Rail | 2003 | \$780,000 | \$183,000 | \$350,000 | \$1,313,000 |
| City of Prosser† | Water/Sewer/Road | 2003 | \$431,840 | | \$490,000 | \$921,840 |
| CHELAN | | | | | | |
| Port of Chelan County | Telecommunications | 2000 | \$825,000 | \$175,000 | \$4,900,000 | \$5,900,000 |
| CLALLAM | | | | | | |
| Port of Port Angeles | Water/Sewer | 1994 | | \$418,531 | \$46,504 | \$465,035 |
| Port of Port Angeles | Industrial Building | 1998 | \$500,000 | | \$451,593 | \$951,593 |
| City of Forks | Feasibility Study | 1999 | | \$22,500 | \$22,500 | \$45,000 |

PRIVATE DEVELOPMENT OUTCOMES

| Private Business Development/Site | Est. Jobs Created & Retained | Actual Jobs Created & Retained |
|---|------------------------------|--------------------------------|
| Olympic Produce | 40 | 81 |
| Pacific Produce | 40 | 60 |
| Simplot Soil Builders | | 37 |
| Target Ag Productions | | 25 |
| InternationalHearthMelting | 115 | 62 |
| Myers Plastics | | 18 |
| C. M. Holtzinger Fruit Company | 203 | 169 |
| Freezer Group | 17 | 12 |
| Hogue Cellars, Ltd. | 17 | 2 |
| Kestrel Vintners | 10 | 5 |
| Port of Benton Incubator Building | 46 | 17 |
| Tree Top, Inc. | 180 | 174 |
| Columbia Ind. Sheltered Workshop | 74 | 29 |
| Welch's Food, Inc. | 198 | 155 |
| Nuvotec, Inc. | 250 | 150 |
| <i>North Prosser Business Park</i> | 73 | * |
| Ferguson Enterprises, Inc. | 90 | * |
| Stravinski Development Group | 20 | * |
| <i>Technology Training Center</i> | 25 | * |
| <i>MIG Utilities Group, Inc.</i> | | ♦ |
| Admiral Composites Technology | 30 | 38 |
| Admiral Marine Construction / Platypus Marine, Inc. | 139 | 75 |
| <i>Port Angeles Indus. Mfg. Bldg.</i> | 40 | |
| Westport Shipyard Cabinet Shop | | 35 |
| Westport Shipyard Boat Mfg. | | ♦ |

PUBLIC INVESTMENT PROJECTS

PRIVATE DEVELOPMENT OUTCOMES

| Local Government Applicant | Project Type | Application Year | CERB Loan | CERB Grant | Other Monies Leveraged | Project Total | Private Business Development/Site | Est. Jobs Created & Retained | Actual Jobs Created & Retained |
|--|---------------------|------------------|-------------|------------|------------------------|---------------|--|------------------------------|--------------------------------|
| CLARK | | | | | | | | | |
| Port of Ridgefield | Water/Sewer/Road | 1996 | \$419,000 | | \$60,000 | \$479,000 | Bonar Plastics, Inc. | 65 | 89 |
| COWLITZ | | | | | | | Pacific Detroit Diesel Allison | | 30 |
| Port of Kalama | Rail Spur | 1995 | \$360,000 | | \$2,730,000 | \$3,090,000 | Kemiron North America Corp. | | 4 |
| City of Longview | Water/Sewer/Road | 1997 | \$500,000 | | \$9,527,420 | \$10,027,420 | Messer Griesheim Industries | | 2 |
| Port of Longview | Industrial Building | 2001 | \$1,000,000 | | \$825,000 | \$1,825,000 | Steelscape | 400 | 295 |
| GARFIELD | | | | | | | <i>Mint Farm Industrial Park</i> | 774 | |
| Port of Garfield [†] | Road/Bridge | 2001 | \$20,000 | \$80,000 | \$475,000 | \$575,000 | Toyocom | | 5 |
| GRANT | | | | | | | Brown-Strauss Corp. | 31 | 14 |
| Port of Ephrata | Industrial Building | 1998 | \$44,375 | | \$40,000 | \$84,375 | <i>Port of Garfield Industrial Park</i> | 38 | * |
| Port of Moses Lake | Sewer | 1998 | \$1,000,000 | | \$3,014,000 | \$4,014,000 | Ephrata Steel Fabricators, Inc. | 26 | 2 |
| Port of Moses Lake | Building/Road/Rail | 1999 | \$998,827 | \$300,000 | \$1,677,818 | \$2,976,645 | Chemi-Con Material | 92 | 90 |
| Port of Mattawa | Industrial Building | 2000 | \$75,000 | \$75,000 | \$50,000 | \$200,000 | Genie Industries, Inc. | 450 | 170 |
| Port of Royal Slope | Water | 2001 | \$565,000 | \$175,000 | \$185,000 | \$925,000 | Mattawa Wood Box Factory | 5 | 3 |
| Port of Quincy [†] | Rail Spur | 2001 | \$125,000 | \$375,000 | \$2,058,000 | \$2,558,000 | Royal Ridge Fruit & Cold Storage | 39 | 12 |
| GRAYS HARBOR | | | | | | | <i>Intermodal Industrial Park</i> | 120 | * |
| Port of Grays Harbor | Industrial Building | 1997 | \$500,000 | | \$250,000 | \$750,000 | Port Rail Transload Facility | 337 | 337 |
| City of Hoquiam | Sewer | 1998 | \$70,000 | \$280,000 | \$238,000 | \$588,000 | <i>5th St. Extension Industrial Area</i> | 300 | 0 |
| City of Aberdeen | Public Pathway | 1999 | \$50,000 | \$200,000 | \$192,000 | \$442,000 | <i>Tourism Development Project</i> | 150 | 207 |
| Grays Harbor County | Water | 1999 | \$700,000 | \$300,000 | \$10,055,000 | \$11,055,000 | Grays Harbor Paper | 242 | 260 |
| Port of Grays Harbor | Feasibility Study | 1999 | | \$25,000 | \$25,000 | \$50,000 | Familian Northwest | 23 | 8 |
| Port of Grays Harbor | Water/Sewer | 1999 | \$34,000 | \$128,000 | \$18,000 | \$180,000 | Masco Petroleum | | 7 |
| Grays Harbor PDA | Telecom/Road | 1999 | \$581,000 | \$200,000 | \$86,959 | \$867,959 | J & B Automotive Electric | | 3 |
| Port of Grays Harbor [†] | Industrial Building | 2001 | \$80,000 | \$150,000 | \$120,000 | \$350,000 | Safe Harbor Technologies, Inc. | 200 | 250 |
| Grays Harbor County [†] | Rail Spur | 2001 | \$700,000 | \$300,000 | \$394,480 | \$1,394,480 | Boise Cascade | | 38 |
| JEFFERSON | | | | | | | QinetiQ | | 11 |
| Port of Port Townsend | Port Facilities | 1995 | \$750,000 | | \$5,693,500 | \$6,443,500 | Westport Shipyards | 78 | * |
| KITSAP | | | | | | | Sierra Pacific Industries, Inc. | 150 | 70 |
| Port of Bremerton [†] | Industrial Building | 2002 | \$432,000 | | \$1,619,052 | \$2,051,052 | <i>Port Marine Haulout Facility</i> | 268 | |
| KITITAS | | | | | | | Baird Boat Company, Inc. | | 2 |
| Ellensburg BDA | Industrial Building | 1999 | \$425,000 | \$300,000 | \$4,034,500 | \$4,759,500 | Port Townsend Shipwrights | | 8 |
| Ellensburg BDA | Feasibility Study | 1999 | | \$25,000 | \$100,000 | \$125,000 | Townsend Bay Marine | | 61 |
| Klickitat | | | | | | | Galmukoff Marine | | 18 |
| City of Bingen | Sewer | 1994 | | \$500,000 | \$2,688,000 | \$3,188,000 | Avian Aeronautics, Inc. | 13 | * |
| Port of Klickitat | Industrial Building | 1999 | \$353,606 | \$751,413 | \$310,000 | \$1,415,019 | <i>Phoenix Industrial Building</i> | 20 | |
| City of Goldendale | Water/Sewer/Road | 2000 | \$390,658 | \$390,658 | \$2,787,275 | \$3,568,591 | Hobart Machined Products | | 1 |
| Port of Klickitat [†] | Industrial Building | 2002 | \$650,000 | | \$1,770,000 | \$2,420,000 | Volcano Graphics | | 2 |
| Private Development Outcomes | | | | | | | Pelle Activeware | | 4 |
| Prospective Development Project | | | | | | | <i>Prospective Development Project</i> | 150 | |
| SDS Lumber Company | | | | | | | SDS Lumber Company | | 0 |
| Underwood Fruit and Warehouse | | | | | | | Underwood Fruit and Warehouse | | 60 |
| ServePro | | | | | | | ServePro | 6 | 6 |
| Goldendale Aluminum Company | | | | | | | Goldendale Aluminum Company | 700 | 233 |
| Goldendale Energy, Inc. | | | | | | | Goldendale Energy, Inc. | 24 | 0 |
| Innovative Composites Engineering | | | | | | | Innovative Composites Engineering | 25 | 15 |
| Insitu Group, Inc. | | | | | | | Insitu Group, Inc. | 48 | 16 |

PUBLIC INVESTMENT PROJECTS

| Local Government Applicant | Project Type | Application Year | CERB Loan | CERB Grant | Other Monies Leveraged | Project Total |
|---------------------------------|----------------------|------------------|-----------|------------|------------------------|---------------|
| LEWIS | | | | | | |
| Port of Chehalis | Industrial Building | 1995 | \$410,000 | | \$156,000 | \$566,000 |
| E. Lewis County PDA | Industrial Building | 1999 | \$162,055 | \$300,000 | \$240,000 | \$702,055 |
| LINCOLN | | | | | | |
| Odessa PDA | Water/Sewer/Building | 2000 | \$500,000 | \$500,000 | \$102,500 | \$1,102,500 |
| Odessa PDA [†] | Industrial Building | 2002 | \$74,074 | \$142,839 | \$51,400 | \$268,313 |
| Odessa PDA [†] | Industrial Building | 2002 | \$155,650 | \$333,184 | | \$488,834 |
| Lincoln Co. PDA [†] | Industrial Building | 2002 | \$333,089 | \$333,089 | \$239,050 | \$905,228 |
| Lincoln Co. PDA [†] | Industrial Building | 2002 | \$197,908 | \$197,908 | \$35,425 | \$431,241 |
| MASON | | | | | | |
| Port of Shelton | Industrial Building | 1996 | \$280,000 | | \$70,000 | \$350,000 |
| Port of Shelton | Feasibility Study | 1998 | | \$25,000 | \$25,000 | \$50,000 |
| OKANOGAN | | | | | | |
| Okanogan PUD No. 1 [†] | Telecommunications | 2001 | \$400,000 | \$400,000 | \$620,000 | \$1,420,000 |
| PACIFIC | | | | | | |
| City of Ilwaco | Water | 1994 | | \$500,000 | \$103,744 | \$603,744 |
| Port of Willapa Harbor | Industrial Building | 1997 | \$75,000 | \$175,000 | \$450,000 | \$700,000 |
| Port of Ilwaco | Mooring Basin | 1999 | \$26,000 | \$104,000 | \$41,000 | \$171,000 |
| Port of Ilwaco | Water/Sewer | 2001 | \$110,000 | \$368,000 | \$120,000 | \$598,000 |
| SKAGIT | | | | | | |
| City of Anacortes | Feasibility Study | 1996 | | \$8,000 | \$8,000 | \$16,000 |
| City of Anacortes | Sewer | 1999 | \$700,000 | \$300,000 | \$2,456,000 | \$3,456,000 |
| Skagit County | Feasibility Study | 1999 | | \$30,000 | \$10,000 | \$40,000 |
| City of Mount Vernon | Telecommunications | 2000 | | \$500,000 | \$641,077 | \$1,141,077 |
| Skagit County | Water/Sewer/Road | 2000 | \$850,000 | \$150,000 | \$4,316,000 | \$5,316,000 |
| SKAMANIA | | | | | | |
| City of Stevenson | Public Pathway | 1993 | | \$225,000 | \$370,000 | \$595,000 |
| Port of Skamania County | Industrial Building | 2001 | \$342,000 | \$500,000 | \$341,000 | \$1,183,000 |
| STEVENS | | | | | | |
| City of Colville | Water/Sewer | 1993 | \$167,649 | \$167,649 | \$825,260 | \$1,160,558 |
| WHATCOM | | | | | | |
| City of Sumas | Sewer/Road | 1997 | \$158,000 | \$280,000 | \$53,000 | \$491,000 |
| City of Blaine | Road | 1997 | \$482,258 | | \$1,139,502 | \$1,621,760 |
| WHITMAN | | | | | | |
| Port of Whitman County | Water | 2000 | \$250,000 | \$300,000 | \$868,500 | \$1,418,500 |
| YAKIMA | | | | | | |
| Port of Sunnyside [†] | Sewer | 2003 | \$500,000 | | \$4,500,000 | \$5,000,000 |

PRIVATE DEVELOPMENT OUTCOMES

| Private Business Development/Site | Est. Jobs Created & Retained | Actual Jobs Created & Retained |
|--------------------------------------|------------------------------|--------------------------------|
| Imperial Group, Inc. | 45 | 30 |
| <i>Packwood Business Park</i> | 25 | 0 |
| North Basin Seed Company | 20 | 10 |
| Masterpiece Tile | 15 | * |
| Seed-Rite, Inc. | 8 | * |
| American Premix Technologies, Inc. | 46 | * |
| Sterett Bros. Hay | 15 | * |
| R. K. Custom | 40 | 56 |
| NCTeleserve | 110 | * |
| Ilwaco Fish Company | 35 | 72 |
| Vanson | 32 | 42 |
| Sunrise Seafoods, Inc. | 13 | 13 |
| Wilcox & Flegel | | 5 |
| Marina Business Development | 70 | * |
| T. Bailey, Inc. | 24 | 89 |
| WebEKG | 125 | 25 |
| EDCO, Inc. | 12 | * |
| <i>Fredonia Business Park</i> | 750 | * |
| <i>Tourism Development Project</i> | 50 | 61 |
| Gorge Delights | 52 | 30 |
| Alladin-Hearth Products, Inc. | 42 | 100 |
| Haney Lumber & Supply Co. | 14 | 14 |
| IKO Pacific, Inc. | 120 | 83 |
| Cedarprime, Inc. | | 45 |
| Nature's Path Foods (USA), Inc. | 31 | 58 |
| <i>Port of Wilma Industrial Park</i> | 168 | * |
| Bennett Lumber | 111 | 111 |
| Darigold WestFarm Foods | 164 | * |
| Johnson Foods, Inc. | 87 | * |

TOTAL CERB INVESTMENTS BY COUNTY 1982-2002

| COUNTY | Number of Projects | Est. Jobs Created & Retained | Actual Jobs Created & Retained | CERB Loan to Local Government | CERB Grant to Local Government | Other Public Monies Leveraged | Public Project Total |
|---------------------|--------------------|------------------------------|--------------------------------|-------------------------------|--------------------------------|-------------------------------|----------------------|
| ADAMS | 1 | 80 | 203 | \$250,000 | \$0 | \$100,000 | \$350,000 |
| ASOTIN | 2 | 164 | 112 | \$128,500 | \$175,000 | \$1,149,550 | \$1,453,050 |
| BENTON | 8 | 1,338 | 832 | \$3,421,840 | \$1,520,510 | \$6,094,640 | \$11,036,990 |
| CHELAN | 3 | 569 | 449 | \$1,145,000 | \$195,000 | \$5,370,000 | \$6,710,000 |
| CLALLAM | 9 | 838 | 421 | \$2,500,000 | \$991,031 | \$5,691,392 | \$9,182,423 |
| CLARK | 8 | 3,190 | 3,532 | \$4,972,523 | \$2,784,706 | \$2,541,719 | \$10,298,948 |
| COLUMBIA | 2 | 22 | 18 | \$100,000 | \$106,750 | \$73,750 | \$280,500 |
| COWLITZ | 8 | 1,470 | 614 | \$3,067,680 | \$350,000 | \$16,142,625 | \$19,560,305 |
| DOUGLAS | 1 | 100 | 58 | \$277,000 | \$0 | \$60,000 | \$337,000 |
| FERRY | 1 | 166 | 135 | \$0 | \$2,270,630 | \$3,725,000 | \$5,995,630 |
| FRANKLIN | 3 | 391 | 435 | \$1,129,000 | \$66,093 | \$1,200,000 | \$2,395,093 |
| GARFIELD | 2 | 64 | 46 | \$20,000 | \$234,592 | \$630,408 | \$885,000 |
| GRANT | 10 | 1,105 | 698 | \$3,800,864 | \$925,000 | \$7,652,373 | \$12,378,237 |
| GRAYSHARBOR | 19 | 2,476 | 1,462 | \$3,590,600 | \$2,822,500 | \$11,873,882 | \$18,286,982 |
| JEFFERSON | 1 | 268 | 178 | \$750,000 | \$0 | \$5,693,500 | \$6,443,500 |
| KING | 2 | 567 | 391 | \$0 | \$1,340,482 | \$317,832 | \$1,658,314 |
| KITSAP | 2 | 353 | 262 | \$943,000 | \$0 | \$6,365,052 | \$7,308,052 |
| KITTITAS | 2 | 0 | 7 | \$425,000 | \$325,000 | \$4,134,500 | \$4,884,500 |
| KLICKITAT | 7 | 1,387 | 349 | \$1,852,264 | \$2,125,852 | \$9,647,275 | \$13,625,391 |
| LEWIS | 11 | 1,634 | 706 | \$2,706,326 | \$453,204 | \$1,941,641 | \$5,101,171 |
| LINCOLN | 5 | 104 | 4 | \$1,260,721 | \$1,507,020 | \$428,375 | \$3,196,116 |
| MASON | 4 | 1,134 | 590 | \$480,000 | \$1,225,000 | \$5,718,000 | \$7,423,000 |
| OKANOGAN | 5 | 673 | 0 | \$400,000 | \$1,925,000 | \$3,375,050 | \$5,700,050 |
| PACIFIC | 11 | 667 | 657 | \$1,066,000 | \$2,085,343 | \$2,975,794 | \$6,127,137 |
| PEND OREILLE | 3 | 1,370 | 1,468 | \$880,905 | \$896,405 | \$747,303 | \$2,524,613 |
| PIERCE | 2 | 716 | 305 | \$400,000 | \$2,000,000 | \$11,810,000 | \$14,210,000 |
| SKAGIT | 11 | 2,407 | 1,295 | \$4,437,000 | \$2,520,725 | \$9,257,721 | \$16,215,446 |
| SKAMANIA | 4 | 96 | 85 | \$442,644 | \$1,115,252 | \$1,155,617 | \$2,713,513 |
| SNOHOMISH | 6 | 3,205 | 697 | \$1,847,000 | \$4,109,855 | \$5,642,056 | \$11,598,911 |
| STEVENS | 3 | 226 | 346 | \$197,649 | \$689,649 | \$1,633,818 | \$2,521,116 |
| THURSTON | 2 | 45 | 57 | \$136,000 | \$0 | \$10,000 | \$146,000 |
| WALLA WALLA | 1 | 352 | 275 | \$2,000,000 | \$0 | \$4,300,000 | \$6,300,000 |
| WHATCOM | 10 | 1,406 | 1,156 | \$6,459,836 | \$361,500 | \$3,481,997 | \$10,303,333 |
| WHITMAN | 2 | 530 | 455 | \$370,065 | \$300,000 | \$1,113,220 | \$1,783,285 |
| YAKIMA | 7 | 1,176 | 843 | \$2,318,653 | \$500,000 | \$11,560,897 | \$14,379,550 |
| GRAND TOTALS | 178 | 30,289 | 19,141* | \$53,776,070 | \$35,922,099 | \$153,614,987 | \$243,313,156 |

*More jobs will be created in projects that have not yet fully matured.

The CERB Program is available statewide, however CERB has not received applications for projects in all 39 counties.

Legislative District Totals

TOTAL CERB INVESTMENTS BY LEGISLATIVE DISTRICT³ 1982-2002

| Leg District | Number of Projects | Est. Jobs Created & Retained | Actual Jobs Created & Retained | CERB Loan to Local Government | CERB Grant to Local Government | Other Public Monies Leveraged | Public Project Total |
|---------------------|--------------------|------------------------------|--------------------------------|-------------------------------|--------------------------------|-------------------------------|----------------------|
| 7 | 14 | 2,379 | 1,953 | \$2,339,275 | \$6,363,704 | \$8,377,996 | \$17,080,975 |
| 8 | 5 | 772 | 411 | \$2,340,000 | \$1,183,000 | \$3,079,500 | \$6,602,500 |
| 9 | 3 | 610 | 658 | \$620,065 | \$300,000 | \$1,213,220 | \$2,133,285 |
| 10 | 6 | 1,057 | -93 ¹ | \$850,000 | \$1,683,485 | \$5,153,033 | \$7,686,518 |
| 12 | 7 | 829 | 507 | \$1,822,000 | \$1,120,000 | \$6,961,550 | \$9,903,550 |
| 13 | 12 | 1,105 | 705 | \$4,225,864 | \$1,250,000 | \$11,786,873 | \$17,262,737 |
| 14 | 3 | 239 | 177 | \$1,044,039 | \$0 | \$1,424,750 | \$2,468,789 |
| 15 | 14 | 2,890 | 1,394 | \$4,208,718 | \$2,963,362 | \$22,798,562 | \$29,970,642 |
| 16 | 10 | 993 | 886 | \$3,377,500 | \$582,435 | \$7,353,708 | \$11,313,643 |
| 17 | 6 | 386 | 2,235 | \$2,612,644 | \$1,115,252 | \$3,637,336 | \$7,365,232 |
| 18 | 10 | 1,095 | 952 | \$2,351,869 | \$936,856 | \$5,850,205 | \$9,138,930 |
| 19 | 26 | 2,934 | 1,744 | \$5,255,600 | \$3,989,843 | \$24,718,194 | \$33,963,637 |
| 20 | 10 | 1,609 | 645 | \$2,664,660 | \$369,870 | \$1,941,641 | \$4,976,171 |
| 22 | 2 | 45 | 57 | \$136,000 | \$0 | \$10,000 | \$146,000 |
| 24 | 15 | 1,920 | 783 | \$3,570,000 | \$1,709,031 | \$11,781,835 | \$17,060,866 |
| 25 | 1 | 641 | 245 | \$0 | \$2,000,000 | \$11,800,000 | \$13,800,000 |
| 26 | 2 | 353 | 262 | \$943,000 | \$0 | \$6,365,052 | \$7,308,052 |
| 28 | 1 | 75 | 60 | \$400,000 | \$0 | \$10,000 | \$410,000 |
| 31 | 1 | 477 | 331 | \$0 | \$1,060,482 | \$117,832 | \$1,178,314 |
| 34 | 1 | 90 | 60 | \$0 | \$280,000 | \$200,000 | \$480,000 |
| 35 | 5 | 1,334 | 809 | \$1,061,000 | \$1,425,000 | \$5,804,959 | \$8,290,959 |
| 38 | 3 | 2,050 | 1,329 | \$1,547,000 | \$4,076,370 | \$4,959,100 | \$10,582,470 |
| 39 | 1 | 1,155 | -632 ¹ | \$300,000 | \$0 | \$497,000 | \$797,000 |
| 40 | 11 | 2,140 | 1,912 | \$7,948,123 | \$870,725 | \$6,530,644 | \$15,349,492 |
| 42 | 6 | 616 | 652 | \$2,098,713 | \$361,500 | \$1,241,997 | \$3,702,210 |
| 49 | 3 | 2,495 | 1,077 | \$2,060,000 | \$2,281,184 | \$0 | \$4,341,184 |
| Grand Totals | 178 | 30,289 | 19,099² | \$53,776,070 | \$35,922,099 | \$153,614,987 | \$243,313,156 |

¹Based on most recent project updates, *actual* jobs created and retained is negative because fewer jobs have been created than were estimated in the original project applications.

²More jobs will be created in projects that have not yet fully matured. Job totals differ slightly from page 11 due to negative numbers, as explained in footnote one.

³Legislative districts reported in this table are prior to the February 8, 2002 redistricting adopted by the Washington State Redistricting Commission and the 57th Legislature.

The CERB Program is available statewide, however CERB has not received applications for projects in all 49 legislative districts.

Program Description

CERB's purpose is to help communities work to create and retain jobs in partnership with business and industry. CERB provides low-interest loans (or in unique circumstances grants) to local governments to help finance construction of public facility projects supporting private sector development.

CERB Traditional Program

The Traditional Program is available statewide and provides funding assistance to economically disadvantaged communities for public facilities to foster the creation and/or retention of jobs by industry. The Traditional Program requires an eligible private sector business at the time of application. The applicant and business must provide evidence that a private development or expansion is ready to occur and that the private development is contingent upon the approval of CERB funds.

CERB Rural Program

CERB's Rural Program is targeted to rural counties and rural natural resource areas affected by the downturn in the timber and commercial salmon industries. (A "rural county" is defined as one with a population density of less than 100 persons per square mile.) It funds economic infrastructure for prospective economic development projects when feasibility is demonstrated. Tourism development projects may be supported in rural areas. The Rural Program also funds

project-specific feasibility studies, planning and predevelopment activities to help evaluate high priority economic development projects that will assist communities in meeting their economic development goals.

CTED Staffing

Staff support for CERB is provided by two work units within CTED's Economic Development Division: Community Economic Assistance delivers program administration and Board support, and Project Development Services works with applicants to develop projects for Board review.

Technical assistance—Staff help a community identify project barriers, evaluate project feasibility, and develop funding and implementation strategies when the project is ready to proceed.

Project advocacy—Staff prepare a comprehensive analysis of the project with recommendations to the Board. This analysis identifies the relative benefits of the project to the local community, the project dynamics, and areas of merit and/or controversy.

Project monitoring—Staff help local governments work out emergent problems during contract development and project implementation.

Eligible Private Sector Businesses

CERB funds public infrastructure that will result in private development or expansions in manufacturing,

production, food processing, assembly, warehousing, industrial distribution, advanced technology, research and development, recycling facilities, or businesses that substantially support the trading of goods and services beyond state borders.

Eligible Applicants

Washington counties, cities, towns, port districts, federally recognized Tribes, plus special purpose districts, municipal corporations, and quasi-municipal corporations conducting economic development activities may apply for CERB funding.

Applicants must demonstrate that no other timely source of funds are available at reasonably similar rates.

Eligible Public Facilities

Eligible public facilities include bridges, roads, domestic and industrial water, sanitary sewer, storm sewer, railroad spurs, telecommunications, electricity, natural gas, general purpose industrial buildings, and port facilities.

Responsible Stewardship

CERB has been a responsible steward of public funds. As a result of the Board's prudent decisions, the program has no delinquent loan contracts.



CERB's Primary Goals

- Encourage business and industry expansion and retention to provide stable employment.
- Expand employment opportunities in economically distressed regions.
- Strengthen the economies of areas with high unemployment by encouraging private capital investment and development.
- Seek opportunities to leverage CERB funds with other public monies.
- Encourage responsible local government investment in public facility projects by requiring a local match.

Martha Choe, Director

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CERB Web Page:
www.oted.wa.gov/ed/cea/index.html

CERB BOARD MEMBERS

Through December 2002

Governor Appointments

Judith Boekholder, Chair
Toppenish, Washington
City Official

Jeff Matson, Vice-Chair
Sunnyside, Washington
Port Official

LeRoy Allison
Warden, Washington
County Official

Vicki Gordon
Pasco, Washington
Small Business

Miland Walling
Bickleton, Washington
Small Business

Jack Pittis
Port Angeles, Washington
Public Representative

Joe Pinzone
Camas, Washington
Large Business

Terry Knapton
Airway Heights, Washington
Large Business

Tom Trulove
Cheney, Washington
Public Sector Economist

Leroy Williams
Bremerton, Washington
Small Business

Vacant
Small Business

Legislative Appointments

Senator Pat Hale
Joint Legislative Committee
on Economic Development

Senator Tim Sheldon
Senate Economic
Development Committee

Representative Jim Dunn
House Trade and Economic
Development Committee

Representative Velma Veloria
House Trade and Economic
Development Committee

Agency Representatives

Robin Pollard, Assistant Director
Economic Development Division
Department of Community, Trade
and Economic Development

Gary Kamimura, Policy Analyst
Office of Policy and Research
Employment Security Department

Skeets Johnson, Tax Policy Specialist
Department of Revenue

Elizabeth Robbins, Manager
Community Economic Partnerships
Highways & Local Programs Division
Department of Transportation

Program History

Created in 1982, CERB's Traditional Program offers funding assistance to local governments for economic public facilities required by industrial and commercial sector businesses. This focus ensures that resulting jobs occur in higher wage categories.

The Legislature has amended the CERB statute on three occasions (in 1991, 1995, and 1999) to make its programs more responsive to the needs of communities in timber- and salmon-dependent areas and in rural counties. In 2002, the Legislature amended the CERB statute to add federally recognized Tribes as eligible CERB applicants. The Legislature's purpose in creating these new opportunities was to help disadvantaged communities develop an economic development infrastructure base and position them to attract diversified economic growth.

In 1999, CERB was called upon by Governor Gary Locke to launch the Rural Economic Vitality Program. See CERB's special REV Program report beginning on page 15.

A Special Thank You

CERB members and staff acknowledge the contribution of the following former members who served during the last two years:

Elisabeth Harper, Skagit County
Zelma Jackson, Benton County
Steven Evans, Walla Walla County
John Doyle, WSDOT

REV Report

RURAL ECONOMIC VITALITY PROGRAM 2002 Update

Community Economic Revitalization Board

"It's important for us to put together partnerships among federal, state and local governments so that local communities can get the help they need. Rural development relies on dependable, efficient transportation so that goods made in rural areas can reach their national and international markets."

-Governor Gary Locke

PARTICIPATION

- 24 Eastern WA projects
- 20 Western WA projects
- Includes 4 CEZ and 3 Tribal projects

REV INVESTMENT

\$67,940,807 in federal TEA-21 resources invested in 44 projects.

LEVERAGED INVESTMENT

The REV projects leveraged over \$64 million in other funding.

JOB ESTIMATE

4,333 jobs in the next 1-3 years and an additional 8,115 jobs in future years.

ECONOMIC BENEFIT

Outcomes include job creation and retention by industrial, commercial or tourism industry business; freight mobility improvements; and private facility developments.

ELIGIBLE AREAS

A rural county has a population density of less than 100 persons per square mile. State CEZs are designated by 1990 census tracts in Yakima, Bremerton, Tacoma, Seattle, and White Center (an unincorporated area in King County) and the City of Spokane.

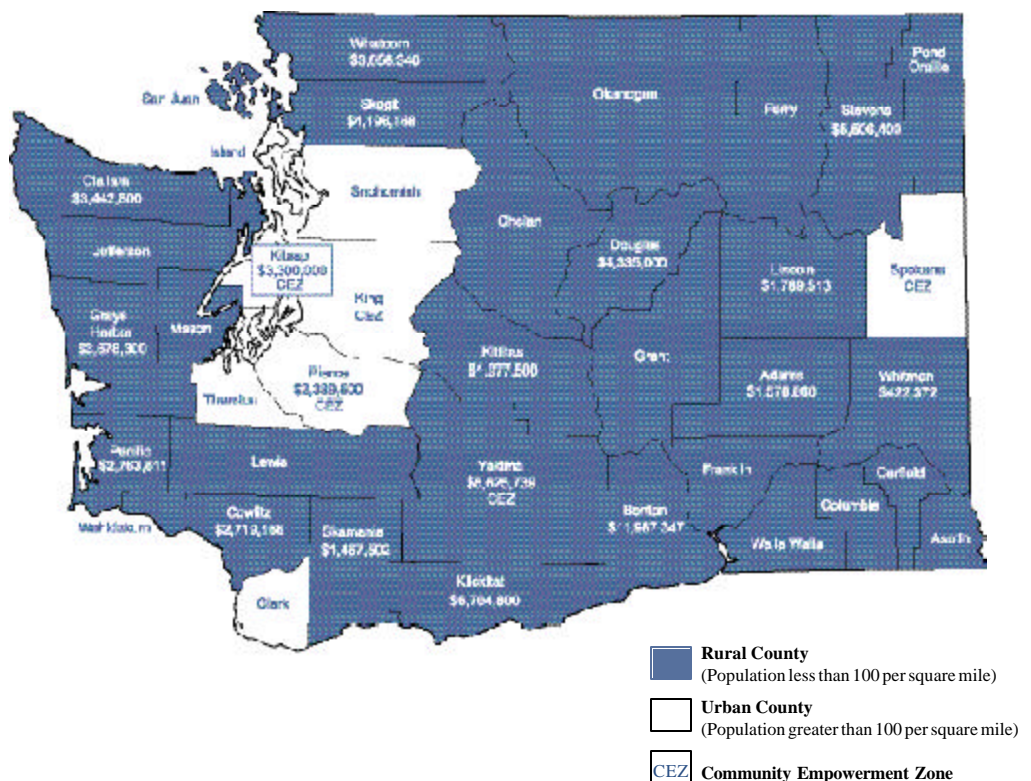
Rural Transportation Investments

Between June 1999 and March 2000, CERB approved \$65 million in federal Rural Economic Vitality funding to assist 42 transportation projects. The projects were competitively selected from rural counties and urban Community Empowerment Zones across the state. Since then, the Board has approved another \$3 million to support two additional projects in 2001. More projects cannot be approved without additional REV funds becoming available.

Staff of the Washington State Department of Transportation report that 18 of the 44 approved projects have been completed. The remaining projects are at various stages of implementation with many having completed design and engineering phases and initiated construction. Three REV projects are highlighted on page 18.

CERB has put a tracking system in place to record the economic development outcomes of REV projects. As part of the CERB biennial reporting process, REV recipients are asked to report job outcomes and update amounts of other funds leveraged for the public investment. Updated information is included in this report.

WSDOT/CERB REV Program Investments by County, 1999-2001



REV Detail

| Location | Applicant | Project | Est. Jobs | Actual Jobs | REV Funds | Total Funds | Anticipated Outcomes |
|----------------------------|-----------------------------|---|--------------|-------------|---------------------|---------------------|---|
| Adams County | City of Othello | Lee Road, McManamon Road Widening and SR-17 Right Turn Lane | 55 | 65 | \$735,780 | \$956,000 | Job creation via agribusiness/cold storage development & improved freight mobility |
| | Adams County | Booker Road Improvements | † | † | \$843,080 | \$992,000 | Job creation/retention via agribusiness expansion & improved freight mobility |
| | Subtotal | | 55 | 65 | \$1,578,860 | \$1,948,000 | |
| Benton County | City of Prosser | Wine Country Road Improvements | † | † | \$5,140,867 | \$14,800,055 | Job creation via agribusiness expansions & improved freight mobility |
| | Benton County | Intertie I-82 to SR-397 Improvements | 60 | * | \$1,492,000 | \$11,894,000 | Job retention among existing businesses, plus freight mobility and safer rail bypass |
| | Benton City | 7th Street Extension Improvements | 16 | 3 | \$812,680 | \$939,515 | Job creation via business development in the downtown core |
| | Port of Benton | Stevens Drive Improvements | 3,278 | * | \$2,525,800 | \$2,920,000 | Retention of existing businesses, improved freight mobility, plus job creation via new business development |
| | City of Kennewick | Gage Boulevard & Center Parkway | 505 | * | \$2,016,000 | \$5,090,000 | Job creation via improved access to industrial & commercial sites & improved freight mobility |
| | Subtotal | | 3,859 | 3 | \$11,987,347 | \$35,643,570 | |
| Clallam County | City of Sequim | Downtown Commercial Core Improvements | 40 | * | \$3,442,800 | \$3,922,800 | Job creation/retention by maintaining businesses in the downtown core |
| | Subtotal | | 40 | | \$3,442,800 | \$3,922,800 | |
| Cowlitz County | Port of Longview | International Way Improvements | 469 | 8 | \$473,155 | \$775,719 | Job creation/retention via manufacturing expansions & improved freight mobility |
| | City of Longview | Traffic Signal at Tennant Way and Ninth Avenue | 361 | 100 | \$90,000 | \$180,000 | Job creation through manufacturing business expansions |
| | Port of Kalama | Industrial Park Bridge Improvements | 330 | 4 | \$2,156,000 | \$4,000,000 | Job creation via industrial business development & improved freight mobility |
| | Subtotal | | 1,160 | 112 | \$2,719,155 | \$4,955,719 | |
| Douglas County | City of East Wenatchee | Wenatchee Valley Mall Central Business District Street Improvements | 491 | * | \$4,335,000 | \$7,833,000 | Business expansion via improved freight mobility & increased connectivity to central business district |
| | Subtotal | | 491 | | \$4,335,000 | \$7,833,000 | |
| Grays Harbor County | City of Montesano | Chehalis River Bank Stabilization | 10 | 130 | \$715,000 | \$827,000 | Job & industrial business retention through road improvements and revetments that protect city's industrial property and wastewater treatment plant |
| | Quinalt Indian Nation | Grays Harbor Vehicular Ferry Project | 100 | * | \$2,335,500 | \$3,030,000 | Job & business retention & development plus improved freight and visitor mobility |
| | City of Elma | "A" Street to 7th Street | 26 | 9 | \$627,800 | \$661,288 | Job retention and creation through downtown business development |
| | Subtotal | | 136 | 139 | \$3,678,300 | \$4,518,288 | |
| Kitsap County | Kitsap County Transit (CEZ) | Bremerton Transportation Center | 159 | * | \$3,300,000 | \$3,715,029 | Business & job retention & CEZ redevelopment via improved linkages to waterfront & downtown |
| | Subtotal | | 159 | | \$3,300,000 | \$3,715,029 | |
| Kittitas County | Kittitas County | Bowers Road and Industrial Park Road | 265 | * | \$1,977,500 | \$3,682,000 | Job creation and retention through manufacturing/commercial business expansions |
| | Subtotal | | 265 | | \$1,977,500 | \$3,682,000 | |
| Klickitat County | City of Bingen | SR-14 and Local Road Improvements | † | † | \$2,000,000 | \$3,925,000 | Job creation and retention through manufacturing business expansion and development and tourism development |
| | Klickitat County | Alderdale Road Improvements | 192 | 337 | \$3,091,500 | \$3,575,000 | Job creation and retention through agribusiness expansion and development and freight mobility improvements |
| | City of Goldendale | Roosevelt Street Improvements | 42 | 20 | \$363,300 | \$420,000 | Job creation through manufacturing business expansion |
| | City of Bingen | Downtown Bingen Revitalization | † | † | \$1,250,000 | \$2,420,087 | Job retention & creation via downtown commercial development, improved access to industrial sites, and enhanced freight mobility |
| | Subtotal | | 234 | 357 | \$6,704,800 | \$10,340,087 | |
| Lincoln County | City of Davenport | Monroe and Eighth Street Improvements | 12 | 33 | \$1,270,763 | \$1,479,590 | Job creation through agribusiness expansion and retention |
| | City of Harrington | Sherlock Street Reconstruction Project | 30 | * | \$518,750 | \$600,000 | Job retention for agribusiness plus safety and freight mobility improvements |
| | Subtotal | | 42 | 33 | \$1,789,513 | \$2,079,590 | |

REV Detail

| Location | Applicant | Project | Est. Jobs | Actual Jobs | REV Funds | Total Funds | Anticipated Outcomes |
|------------------------|--------------------------|--|---------------|-------------|---------------------|----------------------|---|
| Pacific County | City of Raymond | Business Loop Upgrade | 73 | * | \$1,075,000 | \$1,660,000 | Job creation and retention through manufacturing, commercial and retail business expansion and development |
| | City/Port of Ilwaco | First Avenue and Howerton Way SE Improvements | † | † | \$1,688,511 | \$1,952,036 | Business development & expansion via improved access & linkage to port & downtown properties |
| | Subtotal | | 73 | | \$2,763,511 | \$3,612,036 | |
| Pierce County | City of Tacoma (CEZ) | Dock Street Improvements | 409 | * | \$2,000,000 | \$2,862,000 | Job creation and retention through commercial and tourism business expansion and development in the state designated Community Empowerment Zone |
| | Puyallup Tribe (CEZ) | 32nd Street Improvements | 520 | * | \$389,500 | \$617,000 | Job creation through industrial and tourism business development |
| | Subtotal | | 929 | | \$2,389,500 | \$3,479,000 | |
| Skagit County | City of Anacortes | 17th Street and Port/Industrial Access Corridor Improvements | 150 | 75 | \$600,000 | \$700,000 | Job creation through manufacturing, service/commercial business development and expansion |
| | City of Sedro Woolley | SR 20 and Skagit Industrial Park Improvements | 645 | * | \$363,300 | \$420,000 | Job creation and retention through manufacturing business development |
| | Town of Concrete | Main Street Improvements | 36 | * | \$312,900 | \$393,900 | Job creation and retention through manufacturing, retail/commercial, and tourism business development |
| | City of Burlington | Goldonrod Road Bridge and Roadway Improvements | 380 | * | \$1,049,468 | \$1,946,987 | Job creation and expansion of commercial businesses and freight mobility improvements |
| | City of Mount Vernon | Old Highway 99 and Anderson Road Reconstruction | 489 | * | \$1,470,500 | \$1,700,000 | Job creation and retention of industrial and commercial businesses |
| | Swinomish Tribe | Casino Road Reconstruction | 464 | * | \$400,000 | \$500,000 | Business & job expansion via loop to connect tribal waterfront development |
| | Subtotal | | 2,164 | 75 | \$4,196,168 | \$5,660,887 | |
| Skamania County | City of Stevenson | SR 14 Couplet Improvements | 31 | * | \$1,049,827 | \$1,266,418 | Job creation via manufacturing, retail/commercial, & tourism business development |
| | City of North Bonneville | Cascade Drive Improvements | 45 | * | \$417,675 | \$482,861 | Job creation via linking commercial & industrial business development sites to SR-14 |
| | Subtotal | | 76 | | \$1,467,502 | \$1,749,279 | |
| Stevens County | City of Colville | Downtown Corridor Improvements | 361 | * | \$5,506,400 | \$15,675,000 | Job creation & retention via manufacturing, service/commercial, & tourism business development |
| | Subtotal | | 361 | | \$5,506,400 | \$15,675,000 | |
| Whatcom County | City of Lynden | Front Street and Tromp Road Improvements | 144 | * | \$880,000 | \$1,055,000 | Job creation via manufacturing business expansion & development |
| | City of Ferndale | Rural Avenue and Sunset Improvements | 290 | * | \$2,176,340 | \$2,521,000 | Business development & retention plus improved freight mobility to Cherry Point & Port of Bellingham's airport properties |
| | Subtotal | | 434 | | \$3,056,340 | \$3,576,000 | |
| Whitman County | City of Palouse | SR-272 (East Main Street) and SR-27 Street Improvements | 20 | 15 | \$422,372 | \$2,559,136 | Job creation & retention via commercial/retail, & agribusiness retention plus improved freight mobility |
| | Subtotal | | 20 | 15 | \$422,372 | \$2,559,136 | |
| Yakima County | Port of Sunnyside | Midvale Road Improvements | 65 | * | \$2,542,977 | \$3,049,977 | Job creation via manufacturing & agribusiness development & expansion, plus improved freight mobility |
| | Port of Grandview | Stover Road Reconstruction | 50 | 46 | \$353,439 | \$408,600 | Job creation via future development of port industrial property |
| | City of Union Gap | Valley Mall Boulevard Extension | 800 | * | \$795,000 | \$10,115,869 | Job creation via manufacturing & industrial development, plus improved freight mobility |
| | City of Yakima (CEZ) | Washington Avenue Industrial Expansion | 500 | * | \$2,361,905 | \$3,005,337 | Job creation & retention via industrial business development & expansion |
| | City of Zillah | Cheyne Road Capacity and Expansion Project | 232 | * | \$572,418 | \$1,146,600 | Job creation & retention via commercial, light industrial, & tourism business development |
| | Subtotal | | 1,647 | 46 | \$6,625,739 | \$17,726,383 | |
| TOTAL | | | 12,145 | 845 | \$67,940,807 | \$132,675,804 | |

* Projects are working to complete WSDOT contract and transportation project construction.

† Indicates jobs counted in CERB report to prevent double count where REV and CERB funds are combined for the same project area.

REV Report

"The REV Program is good news for all of our rural communities. Opportunities for economic growth depend on ready access to jobs and markets. REV helps rural Washington gain the access."

*-Martha Choe
Director, CTED*

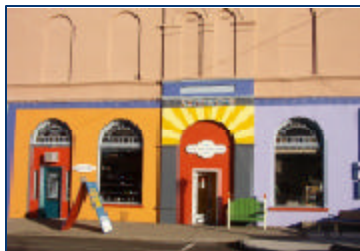
"Our economy depends on an efficient, safe and coordinated transportation system. These grants will connect our rural communities with each other, and to our major cities, ports, and points of entry."

*-Douglas MacDonald
Secretary, WSDOT*

Project Highlights

City of Palouse—The City of Palouse celebrated the completion of East Main Street in the fall of 2000 with the help of \$422,372 in REV funds. "The REV project, combined with a new waste treatment facility in 1995 and a new municipal well in 2002, has readied Palouse to meet infrastructure needs of private enterprise. Since completing the REV project in 2000, Palouse has seen six businesses open. Our downtown revitalization project was a turning point for our community."

—Mayor Michael Echanove



*Palouse downtown business development,
New Morning Glass Company*

City of Prosser—Planned for completion in 2004, the City of Prosser's \$5,140,867 REV project will enhance agribusiness expansions and improve freight mobility. "The end result of our road and water/sewer extension projects to the East Prosser Industrial Park will mean an increase of 107 jobs in food processing businesses and private capital investment of over \$4 million. In addition, traffic safety will be considerably enhanced."

—Ken Carter, City Administrator

City of Elma—In June of 2002, the City of Elma celebrated the completion of the city's downtown Main Street corridor with the help of \$627,800 in REV funds. "The state and local funds invested in Elma's downtown will pay dividends for years to come in increased economic activity in Elma's commercial core."

—Mayor Earl Hari



Elma's Rebuilt Main Street Corridor

REV Program History

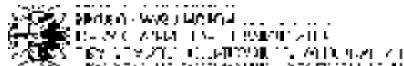
The REV Program was first introduced during the fall of 1998 as part of Governor Gary Locke's Economic Vitality Initiative. Seen as a way to jump-start economic opportunities linked to transportation investments, the strategy garnered broad bi-partisan support. Budget and policy decisions needed to make the program work were made by the end of the 1999 Legislative Session.

Since that time, REV has emerged as a success of the Economic Vitality Initiative. The nearly \$68 million of REV funds were invested in 44 projects in 18 rural counties and four state

Community Empowerment Zones, benefiting cities, counties, ports, and Indian Tribes.

This initiative was a partnership with the Washington State Department of Transportation. It funded transportation improvement projects with economic outcomes in rural counties and state-designated Community Empowerment Zones. Based on an excellent track record of making public infrastructure investments with sound economic returns, CERB was directed to review REV projects and allocate resources based on projected economic outcomes. WSDOT transportation engineers approved the technical aspects of the road improvements, and the Transportation Commission approved projects with state highway improvements. WSDOT retains administrative authority for the REV Program. A total of nearly \$68 million in federal Transportation Equity Act for the 21st Century funds from WSDOT was earmarked for the program.

Overall, REV projects are expected to leverage over \$64 million in other funding and result in the creation of 12,448 short and long-term jobs.



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